

BRITISH CHAMBERS OF COMMERCE

QUARTERLY ECONOMIC SURVEY Q3 2026

Business conditions improved but investment still struggling. The BCC's Quarterly Economic Survey (QES) for Q3 2026 - the UK's largest independent survey of business sentiment, made up of 4,333 respondents – shows nearly half of firms expect turnover to rise over the next 12 months, but investment intentions remain at a post-pandemic low

Only 17% of responding firms plan to increase investment

47% of businesses expect improved turnover in the next 12 months

Inflation remains the top concern for businesses

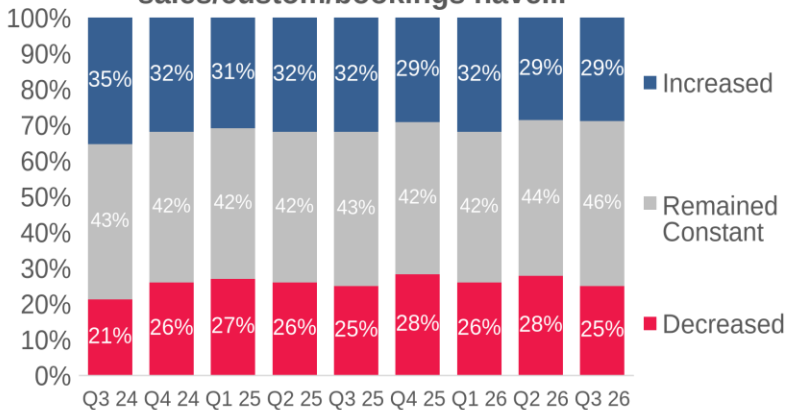


Domestic Sales

The percentage of businesses reporting increased domestic sales in Q3 held at 29% (unchanged from Q2).

46% reported no change, and a quarter (25%) said they had seen a decrease in sales (down from 28% in Q2). Sectoral breakdowns show increased sales were lowest among retail firms (26%) and highest among professional services firms (32%).

Over the past 3 months, UK sales/custom/bookings have...

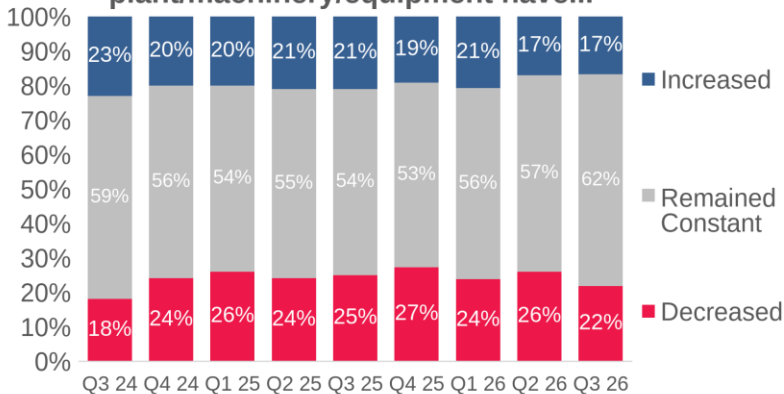


Investment

A fifth (22%) of businesses say they have decreased investment (down from 26% in Q2), while 62% say they have remained unchanged, and just 17% of firms increased their plans (the same as in Q2).

Sector remains a key divide on investment. Almost a third of hospitality firms (32%) reported a decrease in investment plans, as did around a quarter of retail (24%).

Over the past 3 months, investment plans plant/machinery/equipment have...



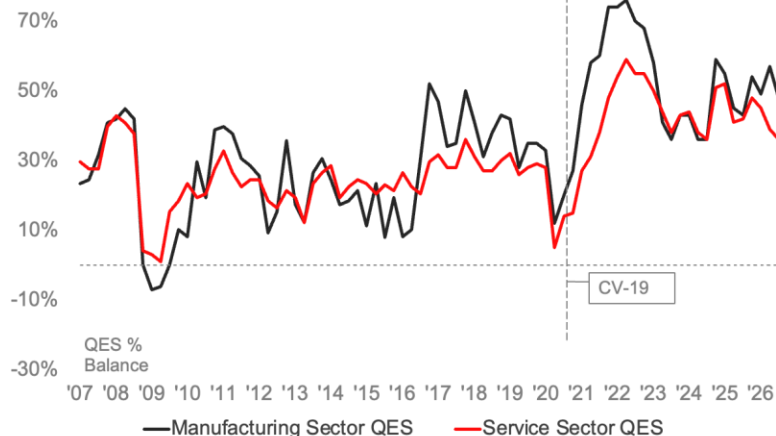


Prices

The proportion of firms expecting to raise prices for customers in the next three months eased to 43% in Q3 (down from 48% in Q2).

As measured as a percentage balance, the services sector stands at +36% (down from +39%) while the manufacturing sector stands at +48% (down from +57%).

Balance of firms expecting their prices to rise

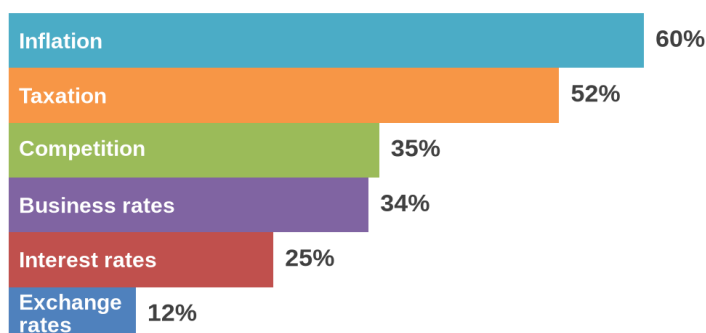


External factors

Inflation remained the top concern for businesses in Q3, cited by 60% of firms (down from 66% in Q2). Just over half of firms (52%) cited taxation as a worry (51% in Q2).

Concern about the cost of borrowing eased to 25% (down from 29% in Q2), while around a third cited competition (35%) and business rates (34%).

External factors of greater concern than three months ago



The view from businesses:

"Far too much taxation. Running a business is very hard – it feels like death by a thousand cuts." **Small professional services firm in Birmingham**

"Fuel prices and cost to employ staff is the biggest burden." **Micro logistics firm in Cambridgeshire**

"It is difficult to invest in the business with the current economic uncertainty and no indication when the economy will see real growth." **Small professional services firm in Kent**

"Labour costs keep rising. Recruitment and staff retention remain challenging, requiring ongoing investment in talent development." **Small public sector firm in East Midlands**

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The QES points to an economy stuck in low gear. Most firms are reporting no improvement across almost every indicator we track.

There is also a big imbalance beneath the headline. Larger firms are driving any improvements to indicators, while the smallest businesses have seen sales and cash flow fall further. Hospitality remains the sector under the most pressure.

Firms are being held back by two constraints. Global volatility is driving up prices and pushing firms to defer investment decisions, while the underlying cost base continues to rise, particularly around employment. Our cost stack calculator shows domestic policy-driven costs alone have risen by more than 70% in the past decade for a typical SME.

David Bharier, Deputy Director, British Chambers of Commerce

ABOUT QES Q3 2026

4,333 business respondents from across the UK

Responding businesses employ over one million people

74% are in the service sector, 26% in the manufacturing sector

Around 42% are exporters

92% are SMEs

Fieldwork took place between 18 August – 15 September 2026

Methodology

QES asks businesses if they have seen an increase, decrease, or no change in a range of metrics such as domestic sales, cash flow, and investment.

QES results are often presented as balance figures – the percentage of firms that reported an increase minus the percentage that reported a decrease. If the figure is above 0, it indicates overall expansion of activity and if the figure is below 0, it indicates overall contraction of activity.

For example, if 50% of firms told us their sales increased and 18% said their sales decreased, the balance for the quarter would be +32% (an overall expansion). If 32% told us their sales increased and 33% said their sales decreased, the balance would be -1% (an overall contraction).

For more information:

Contact Stuart Morrison, Research Manager at the British Chambers of Commerce for any queries or to understand how your organisation may benefit from the BCC Insights Unit

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If you would like to enquire about local data, you can find your local Chamber of Commerce here

<https://www.britishchambers.org.uk/page/join-a-chamber>